



## ASSOCIATION OF FORMER INTERNATIONAL CIVIL SERVANTS

New York

### **After service Health Insurance (ASHI) working group**

During 2015 a representative of AFICS/NY was invited to join an inter-agency working group convened by the Finance and Budget Network of the Central Executives Board (CEB) to study ASHI arrangements in the UN common system.

The study was to review the possibilities for the use of UNJSPB machinery for coordinating health insurance plans across organizations as well as to examine opportunities for improving health insurance arrangements.

The Working group held two workshops and a number of VTCs before reporting back at the end of 2015. Subsequently, the SG submitted a report on behalf of the CEB to the Fifth Committee for consideration at its first resumed session in March 2016. The report recommended a number of improvements but indicated that the UNJSPF machinery could not be used. In addition, the report recommended further study of the possibility of using national health insurance schemes in conjunction with ASHI. The fifth committee accepted a number of the recommendations and agreed to extension of the mandate of the working group for a further year.

AFICS/NY will continue to participate in the working group to ensure that ASHI issues are properly addressed without any negative impact on the health insurance plans made available to retirees.



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19 May 2016

Dear Members of AFICS/NY,

It is a pleasure to be here at the 46<sup>th</sup> Annual Assembly. I recall last year around this time, I was present for the first time at the AFICS Assembly, having been away for a few years after my retirement in 2011, and I take this opportunity to thank you for your electing me, amongst other fellow members, as your representative on the AFICS Governing Board.

### AFICS/NY involvement in ASHI and Health/Life Insurance Programmes

First of all I would like to assure you that AFICS/NY is very much involved with the Administration to ensure that the ASHI and any issues related to Health and Life Insurance programmes are addressed expeditiously without negative impact on the retirees. I would like to take this opportunity to thank Insurance and Disbursement Service representatives, Mr. Christophe Monier, Mario Tuason and Elma Whetherspoon who continue to provide excellent service to all participants and address the concerns raised by us in a pro-active manner.

AFICS/NY has historically had two observer positions in the Health and Life Insurance Committee (HLIC) where Frank Eppert and myself are the current representatives. The Committee has representatives of the Administration, Staff Union, UNDP and UNICEF. While AFICS secretariat provides continuous assistance to retirees on individual basis, some of the main issues addressed by AFICS and HLIC during the 2015/2016 are as follows:

1. Medicare part B premium reimbursements with the introduction of the new ERP system Umoja - As many of you will recall with the changes introduced by the Administration, a number of difficulties were faced by many retirees in getting their reimbursements. I wish to inform you that the Governing Board has played an active and constructive role with the Administration in resolving this issue most urgently. At this time, we understand some individual cases remain outstanding specially affecting those retirees who have re-joined the organization. Anyone still having with problems on Medicare part B premium reimbursement should inform AFICS/NY and the Insurance Service. The Administration representatives will provide current status on this issue,
2. Review of proposed changes to ASHI contribution rates with the introduction of Umoja: With the intervention of AFICS, the proposal to change contribution rates, which was considered to be highly discriminatory, has been placed on hold pending further review. The proposed changes could have had significant impact on premiums of some ASHI members whose premiums would have more than doubled. We will continue to work with the Administration to ensure that any changes in

ASHI contribution rates are thoroughly reviewed to have minimal impact, if any, on the retirees and observing the principle that no intermediate changes are made between the annual renewals of medical plans.

3. In the HLIC, as per its on-going mandate, a number of cases for exceptional reimbursement were reviewed where medical costs for some participants were higher than established thresholds of various insurance plans. As AFICS representatives, we ensured that all cases were treated in a fair manner.
4. HLIC also reviewed overall experience in the use of various medical plans by the Participants in preparation for the 2016 renewals, for the period July 2016 to June 2017. The representatives of various Medical plans such as Aetna, Blue Cross, Cigna provided detailed statistical information on the overall usage, trends of medical costs including financial results of the plans and future projections.

Some of the main issues reported were:

- Escalating cost of medical treatments especially for pharmaceuticals, which continues to increase significantly in double digits.
  - Use of Emergency rooms in hospitals also shows increasing trend
  - Use of out of network physicians - while the use has not changed significantly compared to previous years, it is higher than what is considered as benchmark in the outside market.
5. In order to ensure that the current benefits are not changed in any significant manner, HLIC reviewed various options presented by the Administration. After a number of discussions, the HLIC has agreed with some changes in the premiums ensuring that these are kept to a minimum with use of available reserves. The Administration will be announcing these changes very shortly.
  6. In order to ensure that future premium increases are kept at a minimum we all have a collective responsibility to ensure that we use the plans most effectively and efficiently. UN medical plans are self-insured by the Organization so the premiums are established based on forecasted usage of the plan. If medical costs go up, obviously the premiums increase So the question is what can we individually do to minimize overall costs:
    - As pharmaceutical costs are increasing rapidly, it is important to ensure that participants discuss with their physicians use of generic medicines, which are significantly less expensive. E.g. Some commonly used medication for high cholesterol will be available as generics in 2016. So pls mention this to your physician.
    - Emergency Room visits - Number of ER visits show an increasing trend. Fyi each ER visit costs \$875 on average and participants also pay \$50-75 as Co-pay. It is better to use Urgent Care Facilities which are now available everywhere and are many times much better than waiting for hours in the ER. These facilities provide the basic services and besides being much less expensive, the co-pay for the participant is \$20-35
    - Use of Active Health Programme which allows management of chronic conditions such as diabetes, hypertension etc...

AFICS/NY will continue to address issues related to Health and Life Insurance programmes. It will also continue to work closely with the Insurance Service in the Secretariat . Insurance Service will continue to communicate with details of various changes and services available. Please ensure that both your email and physical mailing addresses as well as your current banking information are on file with the Insurance Service.

Thank you.

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AFICS/NY